



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

SB1422

Introduced 2/6/2013, by Sen. Mattie Hunter

SYNOPSIS AS INTRODUCED:

5 ILCS 375/6.11	
55 ILCS 5/5-1069.3	
65 ILCS 5/10-4-2.3	
105 ILCS 5/10-22.3f	
215 ILCS 5/356z.22 new	
215 ILCS 125/5-3	from Ch. 111 1/2, par. 1411.2
215 ILCS 130/4003	from Ch. 73, par. 1504-3
215 ILCS 165/10	from Ch. 32, par. 604

Amends the Illinois Insurance Code, the State Employees Group Insurance Act of 1971, the Counties Code, the Illinois Municipal Code, the School Code, the Health Maintenance Organization Act, the Limited Health Service Organization Act, and the Voluntary Health Services Plans Act to provide that accident and health insurance policies and managed care plans must provide coverage for telemedicine services. Provides that the required coverage for telemedicine services shall be subject to the same deductible, coinsurance, and copayment as if the telemedicine services were provided through face-to-face interactions between patients and their providers.

LRB098 08144 RPM 38237 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning insurance.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The State Employees Group Insurance Act of 1971
5 is amended by changing Section 6.11 as follows:

6 (5 ILCS 375/6.11)

7 Sec. 6.11. Required health benefits; Illinois Insurance
8 Code requirements. The program of health benefits shall provide
9 the post-mastectomy care benefits required to be covered by a
10 policy of accident and health insurance under Section 356t of
11 the Illinois Insurance Code. The program of health benefits
12 shall provide the coverage required under Sections 356g,
13 356g.5, 356g.5-1, 356m, 356u, 356w, 356x, 356z.2, 356z.4,
14 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13,
15 356z.14, 356z.15, ~~and 356z.17,~~ and 356z.22 ~~and 356z.19~~ of the
16 Illinois Insurance Code. The program of health benefits must
17 comply with Sections 155.22a, 155.37, and 356z.19 of the
18 Illinois Insurance Code.

19 Rulemaking authority to implement Public Act 95-1045, if
20 any, is conditioned on the rules being adopted in accordance
21 with all provisions of the Illinois Administrative Procedure
22 Act and all rules and procedures of the Joint Committee on
23 Administrative Rules; any purported rule not so adopted, for

1 whatever reason, is unauthorized.

2 (Source: P.A. 96-139, eff. 1-1-10; 96-328, eff. 8-11-09;
3 96-639, eff. 1-1-10; 96-1000, eff. 7-2-10; 97-282, eff. 8-9-11;
4 97-343, eff. 1-1-12; 97-813, eff. 7-13-12.)

5 Section 10. The Counties Code is amended by changing
6 Section 5-1069.3 as follows:

7 (55 ILCS 5/5-1069.3)

8 Sec. 5-1069.3. Required health benefits. If a county,
9 including a home rule county, is a self-insurer for purposes of
10 providing health insurance coverage for its employees, the
11 coverage shall include coverage for the post-mastectomy care
12 benefits required to be covered by a policy of accident and
13 health insurance under Section 356t and the coverage required
14 under Sections 356g, 356g.5, 356g.5-1, 356u, 356w, 356x,
15 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13,
16 356z.14, ~~and 356z.15,~~ and 356z.22 of the Illinois Insurance
17 Code. The coverage shall comply with Sections 155.22a and
18 356z.19 of the Illinois Insurance Code. The requirement that
19 health benefits be covered as provided in this Section is an
20 exclusive power and function of the State and is a denial and
21 limitation under Article VII, Section 6, subsection (h) of the
22 Illinois Constitution. A home rule county to which this Section
23 applies must comply with every provision of this Section.

24 Rulemaking authority to implement Public Act 95-1045, if

1 any, is conditioned on the rules being adopted in accordance
2 with all provisions of the Illinois Administrative Procedure
3 Act and all rules and procedures of the Joint Committee on
4 Administrative Rules; any purported rule not so adopted, for
5 whatever reason, is unauthorized.

6 (Source: P.A. 96-139, eff. 1-1-10; 96-328, eff. 8-11-09;
7 96-1000, eff. 7-2-10; 97-282, eff. 8-9-11; 97-343, eff. 1-1-12;
8 97-813, eff. 7-13-12.)

9 Section 15. The Illinois Municipal Code is amended by
10 changing Section 10-4-2.3 as follows:

11 (65 ILCS 5/10-4-2.3)

12 Sec. 10-4-2.3. Required health benefits. If a
13 municipality, including a home rule municipality, is a
14 self-insurer for purposes of providing health insurance
15 coverage for its employees, the coverage shall include coverage
16 for the post-mastectomy care benefits required to be covered by
17 a policy of accident and health insurance under Section 356t
18 and the coverage required under Sections 356g, 356g.5,
19 356g.5-1, 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.10,
20 356z.11, 356z.12, 356z.13, 356z.14, ~~and~~ 356z.15, and 356z.22 of
21 the Illinois Insurance Code. The coverage shall comply with
22 Sections 155.22a and 356z.19 of the Illinois Insurance Code.
23 The requirement that health benefits be covered as provided in
24 this is an exclusive power and function of the State and is a

1 denial and limitation under Article VII, Section 6, subsection
2 (h) of the Illinois Constitution. A home rule municipality to
3 which this Section applies must comply with every provision of
4 this Section.

5 Rulemaking authority to implement Public Act 95-1045, if
6 any, is conditioned on the rules being adopted in accordance
7 with all provisions of the Illinois Administrative Procedure
8 Act and all rules and procedures of the Joint Committee on
9 Administrative Rules; any purported rule not so adopted, for
10 whatever reason, is unauthorized.

11 (Source: P.A. 96-139, eff. 1-1-10; 96-328, eff. 8-11-09;
12 96-1000, eff. 7-2-10; 97-282, eff. 8-9-11; 97-343, eff. 1-1-12;
13 97-813, eff. 7-13-12.)

14 Section 20. The School Code is amended by changing Section
15 10-22.3f as follows:

16 (105 ILCS 5/10-22.3f)

17 Sec. 10-22.3f. Required health benefits. Insurance
18 protection and benefits for employees shall provide the
19 post-mastectomy care benefits required to be covered by a
20 policy of accident and health insurance under Section 356t and
21 the coverage required under Sections 356g, 356g.5, 356g.5-1,
22 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.11, 356z.12,
23 356z.13, 356z.14, ~~and~~ 356z.15, and 356z.22 of the Illinois
24 Insurance Code. Insurance policies shall comply with Section

1 356z.19 of the Illinois Insurance Code. The coverage shall
2 comply with Section 155.22a of the Illinois Insurance Code.

3 Rulemaking authority to implement Public Act 95-1045, if
4 any, is conditioned on the rules being adopted in accordance
5 with all provisions of the Illinois Administrative Procedure
6 Act and all rules and procedures of the Joint Committee on
7 Administrative Rules; any purported rule not so adopted, for
8 whatever reason, is unauthorized.

9 (Source: P.A. 96-139, eff. 1-1-10; 96-328, eff. 8-11-09;
10 96-1000, eff. 7-2-10; 97-282, eff. 8-9-11; 97-343, eff. 1-1-12;
11 97-813, eff. 7-13-12.)

12 Section 25. The Illinois Insurance Code is amended by
13 adding Section 356z.22 as follows:

14 (215 ILCS 5/356z.22 new)

15 Sec. 356z.22. Coverage for telemedicine services.

16 (a) As used in this Section, "telemedicine services" means
17 the delivery of health care services by a physician or advanced
18 practice nurse to his or her patient through remote video
19 conferencing, remote patient monitoring, or other
20 telecommunications and electronic technology for the purpose
21 of diagnosing, consulting with, or treating the patient at a
22 location other than where the physician is located.
23 "Telemedicine services" does not include audio-only telephone
24 calls, e-mail messages, or facsimile transmissions.

1 (b) An individual or group policy of accident and health
2 insurance or a managed care plan that is amended, delivered,
3 issued, or renewed on or after the effective date of this
4 amendatory Act of the 98th General Assembly must provide
5 coverage for telemedicine services.

6 (c) Coverage for telemedicine services required under this
7 Section shall be subject to the same deductible, coinsurance,
8 and copayment as if the telemedicine services were provided
9 through face-to-face interactions between patients and their
10 providers.

11 Section 30. The Health Maintenance Organization Act is
12 amended by changing Section 5-3 as follows:

13 (215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

14 Sec. 5-3. Insurance Code provisions.

15 (a) Health Maintenance Organizations shall be subject to
16 the provisions of Sections 133, 134, 136, 137, 139, 140, 141.1,
17 141.2, 141.3, 143, 143c, 147, 148, 149, 151, 152, 153, 154,
18 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a, 355.2, 355.3,
19 356g.5-1, 356m, 356v, 356w, 356x, 356y, 356z.2, 356z.4, 356z.5,
20 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13,
21 356z.14, 356z.15, 356z.17, 356z.18, 356z.19, 356z.21, 356z.22,
22 364.01, 367.2, 367.2-5, 367i, 368a, 368b, 368c, 368d, 368e,
23 370c, 370c.1, 401, 401.1, 402, 403, 403A, 408, 408.2, 409, 412,
24 444, and 444.1, paragraph (c) of subsection (2) of Section 367,

1 and Articles IIA, VIII 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV,
2 and XXVI of the Illinois Insurance Code.

3 (b) For purposes of the Illinois Insurance Code, except for
4 Sections 444 and 444.1 and Articles XIII and XIII 1/2, Health
5 Maintenance Organizations in the following categories are
6 deemed to be "domestic companies":

7 (1) a corporation authorized under the Dental Service
8 Plan Act or the Voluntary Health Services Plans Act;

9 (2) a corporation organized under the laws of this
10 State; or

11 (3) a corporation organized under the laws of another
12 state, 30% or more of the enrollees of which are residents
13 of this State, except a corporation subject to
14 substantially the same requirements in its state of
15 organization as is a "domestic company" under Article VIII
16 1/2 of the Illinois Insurance Code.

17 (c) In considering the merger, consolidation, or other
18 acquisition of control of a Health Maintenance Organization
19 pursuant to Article VIII 1/2 of the Illinois Insurance Code,

20 (1) the Director shall give primary consideration to
21 the continuation of benefits to enrollees and the financial
22 conditions of the acquired Health Maintenance Organization
23 after the merger, consolidation, or other acquisition of
24 control takes effect;

25 (2) (i) the criteria specified in subsection (1) (b) of
26 Section 131.8 of the Illinois Insurance Code shall not

1 apply and (ii) the Director, in making his determination
2 with respect to the merger, consolidation, or other
3 acquisition of control, need not take into account the
4 effect on competition of the merger, consolidation, or
5 other acquisition of control;

6 (3) the Director shall have the power to require the
7 following information:

8 (A) certification by an independent actuary of the
9 adequacy of the reserves of the Health Maintenance
10 Organization sought to be acquired;

11 (B) pro forma financial statements reflecting the
12 combined balance sheets of the acquiring company and
13 the Health Maintenance Organization sought to be
14 acquired as of the end of the preceding year and as of
15 a date 90 days prior to the acquisition, as well as pro
16 forma financial statements reflecting projected
17 combined operation for a period of 2 years;

18 (C) a pro forma business plan detailing an
19 acquiring party's plans with respect to the operation
20 of the Health Maintenance Organization sought to be
21 acquired for a period of not less than 3 years; and

22 (D) such other information as the Director shall
23 require.

24 (d) The provisions of Article VIII 1/2 of the Illinois
25 Insurance Code and this Section 5-3 shall apply to the sale by
26 any health maintenance organization of greater than 10% of its

1 enrollee population (including without limitation the health
2 maintenance organization's right, title, and interest in and to
3 its health care certificates).

4 (e) In considering any management contract or service
5 agreement subject to Section 141.1 of the Illinois Insurance
6 Code, the Director (i) shall, in addition to the criteria
7 specified in Section 141.2 of the Illinois Insurance Code, take
8 into account the effect of the management contract or service
9 agreement on the continuation of benefits to enrollees and the
10 financial condition of the health maintenance organization to
11 be managed or serviced, and (ii) need not take into account the
12 effect of the management contract or service agreement on
13 competition.

14 (f) Except for small employer groups as defined in the
15 Small Employer Rating, Renewability and Portability Health
16 Insurance Act and except for medicare supplement policies as
17 defined in Section 363 of the Illinois Insurance Code, a Health
18 Maintenance Organization may by contract agree with a group or
19 other enrollment unit to effect refunds or charge additional
20 premiums under the following terms and conditions:

21 (i) the amount of, and other terms and conditions with
22 respect to, the refund or additional premium are set forth
23 in the group or enrollment unit contract agreed in advance
24 of the period for which a refund is to be paid or
25 additional premium is to be charged (which period shall not
26 be less than one year); and

1 (ii) the amount of the refund or additional premium
2 shall not exceed 20% of the Health Maintenance
3 Organization's profitable or unprofitable experience with
4 respect to the group or other enrollment unit for the
5 period (and, for purposes of a refund or additional
6 premium, the profitable or unprofitable experience shall
7 be calculated taking into account a pro rata share of the
8 Health Maintenance Organization's administrative and
9 marketing expenses, but shall not include any refund to be
10 made or additional premium to be paid pursuant to this
11 subsection (f)). The Health Maintenance Organization and
12 the group or enrollment unit may agree that the profitable
13 or unprofitable experience may be calculated taking into
14 account the refund period and the immediately preceding 2
15 plan years.

16 The Health Maintenance Organization shall include a
17 statement in the evidence of coverage issued to each enrollee
18 describing the possibility of a refund or additional premium,
19 and upon request of any group or enrollment unit, provide to
20 the group or enrollment unit a description of the method used
21 to calculate (1) the Health Maintenance Organization's
22 profitable experience with respect to the group or enrollment
23 unit and the resulting refund to the group or enrollment unit
24 or (2) the Health Maintenance Organization's unprofitable
25 experience with respect to the group or enrollment unit and the
26 resulting additional premium to be paid by the group or

1 enrollment unit.

2 In no event shall the Illinois Health Maintenance
3 Organization Guaranty Association be liable to pay any
4 contractual obligation of an insolvent organization to pay any
5 refund authorized under this Section.

6 (g) Rulemaking authority to implement Public Act 95-1045,
7 if any, is conditioned on the rules being adopted in accordance
8 with all provisions of the Illinois Administrative Procedure
9 Act and all rules and procedures of the Joint Committee on
10 Administrative Rules; any purported rule not so adopted, for
11 whatever reason, is unauthorized.

12 (Source: P.A. 96-328, eff. 8-11-09; 96-639, eff. 1-1-10;
13 96-833, eff. 6-1-10; 96-1000, eff. 7-2-10; 97-282, eff. 8-9-11;
14 97-343, eff. 1-1-12; 97-437, eff. 8-18-11; 97-486, eff. 1-1-12;
15 97-592, eff. 1-1-12; 97-805, eff. 1-1-13; 97-813, eff.
16 7-13-12.)

17 Section 35. The Limited Health Service Organization Act is
18 amended by changing Section 4003 as follows:

19 (215 ILCS 130/4003) (from Ch. 73, par. 1504-3)

20 Sec. 4003. Illinois Insurance Code provisions. Limited
21 health service organizations shall be subject to the provisions
22 of Sections 133, 134, 136, 137, 139, 140, 141.1, 141.2, 141.3,
23 143, 143c, 147, 148, 149, 151, 152, 153, 154, 154.5, 154.6,
24 154.7, 154.8, 155.04, 155.37, 355.2, 355.3, 356v, 356z.10,

1 356z.21, 356z.22, 368a, 401, 401.1, 402, 403, 403A, 408, 408.2,
2 409, 412, 444, and 444.1 and Articles IIA, VIII 1/2, XII, XII
3 1/2, XIII, XIII 1/2, XXV, and XXVI of the Illinois Insurance
4 Code. For purposes of the Illinois Insurance Code, except for
5 Sections 444 and 444.1 and Articles XIII and XIII 1/2, limited
6 health service organizations in the following categories are
7 deemed to be domestic companies:

8 (1) a corporation under the laws of this State; or

9 (2) a corporation organized under the laws of another
10 state, 30% of more of the enrollees of which are residents
11 of this State, except a corporation subject to
12 substantially the same requirements in its state of
13 organization as is a domestic company under Article VIII
14 1/2 of the Illinois Insurance Code.

15 (Source: P.A. 97-486, eff. 1-1-12; 97-592, 1-1-12; 97-805, eff.
16 1-1-13; 97-813, eff. 7-13-12.)

17 Section 40. The Voluntary Health Services Plans Act is
18 amended by changing Section 10 as follows:

19 (215 ILCS 165/10) (from Ch. 32, par. 604)

20 Sec. 10. Application of Insurance Code provisions. Health
21 services plan corporations and all persons interested therein
22 or dealing therewith shall be subject to the provisions of
23 Articles IIA and XII 1/2 and Sections 3.1, 133, 136, 139, 140,
24 143, 143c, 149, 155.22a, 155.37, 354, 355.2, 355.3, 356g,

1 356g.5, 356g.5-1, 356r, 356t, 356u, 356v, 356w, 356x, 356y,
2 356z.1, 356z.2, 356z.4, 356z.5, 356z.6, 356z.8, 356z.9,
3 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.18,
4 356z.19, 356z.21, 356z.22, 364.01, 367.2, 368a, 401, 401.1,
5 402, 403, 403A, 408, 408.2, and 412, and paragraphs (7) and
6 (15) of Section 367 of the Illinois Insurance Code.

7 Rulemaking authority to implement Public Act 95-1045, if
8 any, is conditioned on the rules being adopted in accordance
9 with all provisions of the Illinois Administrative Procedure
10 Act and all rules and procedures of the Joint Committee on
11 Administrative Rules; any purported rule not so adopted, for
12 whatever reason, is unauthorized.

13 (Source: P.A. 96-328, eff. 8-11-09; 96-833, eff. 6-1-10;
14 96-1000, eff. 7-2-10; 97-282, eff. 8-9-11; 97-343, eff. 1-1-12;
15 97-486, eff. 1-1-12; 97-592, eff. 1-1-12; 97-805, eff. 1-1-13;
16 97-813, eff. 7-13-12.)